

the rush for gain; we here perceive the easy way in which the same influence, inflamed by example and competition, can extinguish in corporate action the individual sense of honour. Under the stress of these conditions the general destruction of confidence in integrity and solvency became so complete that persons possessed of any funds began, and continued, to hoard by retaining them in secret hiding-places—preferring the risk of personal robbery to the larger chances of corporate misdeeds. Organised society thus became reduced for a time into the primitive form of isolated and repellent units.

The banks, it should have been mentioned, under the growing infection, had relinquished that caution and judgment in advances which constitute the primary function of a banker. " Contrary to tradition and practice, they had been induced to lend extensively upon the mortgage of land-values and on the inflated stocks of industrial concerns (which simply represented fixed capital in place of the fluid assets appropriate to banking); hence, when the crisis was approaching its culmination, their securities, instead of being convertible into cash, were destitute of purchasers or only saleable at a ruinous loss.

An extended mischief arising in any country cannot be confined within local limits; so interdependent are the commercial relationships of all lands that tremors at any centre radiate their vibrations far beyond the area in which their origin began. By every possible means—the sale and pledging of securities issued by other Governments and owned in America, the discount of bills of exchange held by American merchants upon customers abroad, the cashing of credits upon London banks—gold was drawn from every money market for the restoration of confidence and the replenishment of the depleted currency of the United States.

For the general hoarding of metallic money practised in self-defence by owners had almost denuded American commerce and trade of the gold on which all exchanges ultimately rest. From the Bank of England accordingly an increasing supply was obtained by the

modes described; the Bank's reserve thus being successively diminished, the apprehension of British merchants increased with each withdrawal lest their own representative money should completely lose its validity in the